

**THE CORPORATE GOVERNANCE COMMITTEE  
OF THE  
BOARD OF TRUSTEES  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

**MINUTES OF MEETING**

**August 16, 2016**

The Corporate Governance Committee met on Tuesday, August 16, 2016, following the Board of Trustees meeting. The meeting was held in the Board Room on the 16<sup>th</sup> floor of the State Retirement Agency, 120 E. Baltimore Street, Baltimore, MD 21202.

Members Attending:	David Brinkley Suzanne Brogan, (Treasurer's designee) Eric Brotman	Kenneth Haines James Harkins Sheila Hill, Chairman Charles Johnson
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Members Not Attending:

Also Attending:	Jody Shaw (OAG) Sharon Street (OAG)	Toni Voglino
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Ms. Hill called the meeting to order at 12:25 p.m.

**Minutes**

On a motion made by Mr. Johnson and seconded by Mr. Haines, the minutes from the February 16, 2016 meeting were unanimously accepted.

**Update and Review of Iran-Sudan Divestment**

The Committee considered staff's recommendation to reaffirm the System's Iran-Sudan Restricted List as no new companies meet the requirements of the Maryland Iran-Sudan divestment statute and no companies are eligible for removal from the Restricted List at this time. Ms. Voglino confirmed that all 21 companies on the Iran-Sudan Restricted List currently meet the requirements of the Maryland Iran-Sudan divestment statute SPP 21-123.1.

Ms. Voglino provided the semi-annual Iran & Sudan Divestment Impact Analysis to the Committee as prepared by Meketa Investment Group, the System's general investment consultant. The report provided an updated analysis of all companies on the Iran-Sudan Restricted List and the divestment impact regarding these companies.

On a motion by Mr. Haines and seconded by Mr. Brotman, the Committee unanimously agreed to approve staff's recommendation to reaffirm the Iran-Sudan Restricted List as noted, and to recommend the list to the Board of Trustees.

<b>ISSUER NAME</b>	<b>Country</b>	<b>Sudan or Iran</b>
ASEC Co for Mining SAE	Egypt	Sudan
AviChina Industry & Technology Company Limited	China	Sudan
Bharat Heavy Electricals Limited	India	Sudan
China National Petroleum Corporation (PetroChina Co)	China	Both
Daelim Industrial Co.,Ltd.	Korea	Iran
El Sewedy Electric Co. SAE	Egypt	Sudan
Energy House Holding Company	Kuwait	Sudan
Harbin Power Equipment Co., Ltd	China	Sudan
Jiangxi Hongdu Aviation Industry Co., Ltd.	China	Sudan
Kuwait Finance House K.S.C.	Kuwait	Sudan
LS Industrial Systems Co., Ltd	Korea	Sudan
Managem S.A.	Morocco	Sudan
Oil and Natural Gas Corporation Limited	India	Sudan
Oil India Ltd.	India	Sudan
ONGC Videsh Limited	India	Sudan
Orca Gold Inc.	Canada	Sudan
Petroliam Nasional Berhad (Petronas)	Malaysia	Sudan
Petronas Capital Limited	Malaysia	Sudan
Petronas Global Sukuk Ltd	Malaysia	Sudan
Regency Mines PLC	UK	Sudan
Schneider Electric S.A.	France	Sudan

The Iran-Sudan Restricted List approved by the Corporate Governance Committee will be provided at the Board of Trustees meeting on September 20, 2016, for approval.

### **Institutional Shareholder Services Contract Renewal**

The Committee considered staff's recommendation to exercise the System's first of two one-year extension options for Institutional Shareholder Services (ISS). Ms. Voglino detailed that the five-year contract for proxy voting services is due to expire June 30, 2017 and the System has the choice to either renew the contract for one year or solicit bids through the Request for Information (RFI) process.

On a motion by Mr. Brinkley and seconded by Mr. Brotman, the Committee unanimously agreed to approve staff's recommendation to extend the contract with ISS for proxy voting services through June 30, 2018.

### **MSCI ESG Contract Renewal**

The Committee considered staff's recommendation to exercise the System's first of two one-year extension options for MSCI ESG. Ms. Voglino detailed that the five-year contract for Iran-Sudan research and data feed services is due to expire June 30, 2017 and the System has the choice to either renew the contract for one year or solicit bids through the Request for Information (RFI) process.

On a motion by Mr. Brotman and seconded by Mr. Haines, the Committee unanimously agreed to approve staff's recommendation to extend the contract with MSCI ESG for Iran-Sudan research and data feed services through June 30, 2018.

### **Council of Institutional Investors Update and Fall Conference Agenda**

The Committee discussed the CII Fall Conference that will be held September 28, 2016 through September 30, 2016 and was provided an agenda.

### **Proposed 2017 Corporate Governance Committee Meeting Schedule**

Staff proposed the following dates for the Corporate Governance Committee meetings in 2017:

Tuesday, February 21, 2017, immediately following the Board of Trustees meeting  
Tuesday, May 16, 2017, immediately following the Board of Trustees meeting  
Tuesday, September 5, 2016, immediately following the Administrative Committee meeting  
Tuesday, November 21, 2017, immediately following the Board of Trustees meeting

On a motion by Mr. Brinkley and seconded by Mr. Brotman the Committee accepted the proposed dates for committee meetings in 2017.

### **Other Business**

The Committee discussed the Commonsense Corporate Governance Principals and asked that staff forward an electronic copy of the Principals to the Committee. The Committee asked to discuss the Principals at the next Corporate Governance Committee meeting.

## **Adjourn Meeting**

On a motion made by Mr. Brinkley and seconded by Mr. Haines, the Committee adjourned at 12:40 p.m.

The next Corporate Governance Committee meeting is scheduled for Thursday, November 17, 2016.

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Toni Voglino